

MINUTES

Council on Postsecondary Education

July 30, 2001

The Council on Postsecondary Education met July 30, 2001, at 8:30 a.m. at the University of Kentucky W. T. Young Library in Lexington, Kentucky. Chair Whitehead presided.

Mr. Whitehead asked for a moment of silence of memory of Philip I. Huddleston.

Mr. Whitehead thanked President Lee Todd and the University of Kentucky for hosting the council.

OATH OF OFFICE

Fayette District Judge Kevin Horn administered the oath of office to Christopher J. Pace, appointed by Governor Patton July 25 as the student member to replace Amanda Coates Lich. Mr. Pace is a graduate of Eastern Kentucky University with a degree in political science and will begin studies at the Northern Kentucky University Chase College of Law this fall.

Richard D. Freed was appointed by Governor Patton July 25 as the new faculty member to replace Merl Hackbart. Dr. Freed is a professor of English at Eastern Kentucky University. Dr. Freed was unable to attend this meeting and will be sworn in at the September meeting.

Mr. Whitehead introduced Dr. Eugene Hughes, the interim president of Eastern Kentucky University.

ROLL CALL

The following members were present: Norma Adams, Walter Baker, Steve Barger, Peggy Bertelsman, Ron Greenberg, Hilda Legg, Shirley Menendez, Charlie Owen, Christopher Pace, Lois Combs Weinberg, and Charles Whitehead. Richard Freed, John Hall, Joan Taylor, and Gene Wilhoit did not attend.

REMARKS BY PRESIDENT TODD

President Todd discussed his vision for the University of Kentucky. He said that the cornerstone of that vision has to do with the top 20 challenge issued by Governor Patton

and the General Assembly. He said that some people think that reaching the top 20 challenge is to be a top 20 public research institution. UK could very likely meet that definition but would fail the state of Kentucky since UK has a landgrant mission and a responsibility to serve the entire population of the state. In order to meet this challenge, he will develop a set of analytical measures to show how UK compares with benchmarks and will develop a higher purpose list of measures to undertake. He added that in order to effectively bring about change in the state UK has to work closely with the other institutions. He has been working with UofL President Shumaker and joint efforts by UK and UofL will be announced in the coming weeks. Dr. Todd has reorganized the university using a provost model. He has formed several task forces to look at such things as health care issues and has established a futures group, a Commission on the Status of Women, and a Commission on Diversity. UK will be involved in reopening a Washington, D.C., office to help attract research dollars to the state. He plans to use the cooperative extensive service to work through these county agents on various initiatives around the state.

APPROVAL OF MINUTES

The minutes of previous meetings were approved as distributed.

ORGANIZATION OF COUNCIL AND AGENDA BOOK

Mr. Davies said that the council met in early June and discussed its organization and agenda for the coming year. The council decided to operate without the academic affairs and finance committees because so many issues cut across both committees. The council also decided to reorganize its agenda book by integrating the agenda items into a coherent set of actions and discussions related to one another and to the work of reform. The former agenda book presented the items within committee reports but in no particular order. The "president's report" had become the vehicle for general items dealt with by the council as a whole, but again in no particular order. The revised book consists of an extended narrative summary that presents the agenda items organized around the "five questions":

Question 1. Are more Kentuckians ready for postsecondary education?

NEW PROGRAM
PROPOSAL

Questions 2 & 3. Are more students enrolling?
Are more students advancing through the
system?

Questions 4 & 5. Are we preparing Kentuckians for life
and work?
Are Kentucky's communities and
economy benefiting?

RECOMMENDATION: The staff recommends that the
council approve the program in early childhood education
proposed by Lexington Community College.

MOTION: Mr. Barger moved that the recommendation be
approved. Ms. Weinberg seconded the motion.

Mr. Davies said that the Governor's KIDS Now initiative
recognizes the importance of a good pre-school educational
foundation for all children, and teachers need to be
prepared to work in early childhood programs. By 2003,
Headstart will require that 50 percent of lead instructors
have at least an associate degree. LCC's program is
designed to meet the increased demand for this credential
and to provide for transfer to four-year education
programs across the state.

Ms. Menendez said that normally early childhood educators
receive very low pay. She asked if personnel who receive
this credential can expect additional compensation. She is
concerned that a great deal of verbal support is given to
the concept of early childhood education being a major
investment in the future of the Commonwealth, but the
financial support is not there.

Mr. Davies said that Governor Patton is very interested in
salaries at every level of education, early childhood
through adult, and is discussing ways in which a long-term
strategy could be developed.

EARLY
MATHEMATICS
TESTING PROGRAM

VOTE: The motion passed.

Mr. Davies said that the Kentucky Early Mathematics
Testing Program, administered by Northern Kentucky
University and the University of Kentucky, has completed
its first semester. This spring, the test was taken on-line by
more than 3,000 students from 29 high schools in 18

P-16 COUNCIL

counties. The program directors anticipate testing between 20,000 and 40,000 students per year. The test assesses the preparation of high school sophomores and juniors to do college-level mathematics.

ADULT EDUCATION
PROFESSIONAL
DEVELOPMENT PLAN

The P-16 Council recently heard a presentation by Kati Haycock, executive director of The Education Trust, about the importance of a rigorous high school curriculum. The presentation will be given September 16 at a joint session with the council and the council's Committee on Equal Opportunities.

RECOMMENDATION: The staff recommends that the council approve the Adult Education Professional Development Plan, authorizing the allocation of \$1,358,528 of the Adult Education and Literacy Trust Fund for 2001-02.

MOTION: Ms. Menendez moved that the recommendation be approved. Mr. Barger seconded the motion.

Mr. Davies said that significant progress is being made in adult education. The goal to serve 60,000 people this year, up from 50,000 last year, has been met and exceeded with 62,500 people participating. The goal for 2002 is 75,000 and 100,000 by 2004. To accomplish these goals, more adult educators and better-trained adult educators are needed. The proposed adult education professional plan will make this an integral component of Kentucky education reform.

Ben Boggs of the council staff said that within the professional development plan there are four components: The Adult Education Academy for Professional Development to be located at Morehead State University, The Collaborative Center for Literacy Development located at the University of Kentucky, The Kentucky Institute for Family Literacy located with the National Center for Family Literacy in Louisville, and a resource database hosted by the Kentucky Virtual Library. Mr. Boggs said that this was a task force led plan representing nine agencies and institutions. In designing the plan, there have not been major new hirings. Even though the goal is 100,000 new learners by 2004 and 300,000 by 2010, the adult education providers are trying to serve these students

ENROLLMENT,
RETENTION, AND
GRADUATION GOALS

using technology, on-line learning, and existing resources.

Sandy Kesner with The Collaborative Center for Literacy Development and Dan Connell, Morehead State University Dean of Extended Campus and Continuing Education, discussed the planned activities of the Kentucky Adult Literacy Institute and the Adult Education Academy for Professional Development.

VOTE: The motion passed.

RECOMMENDATION: The staff recommends that the council approve the 2002-06 public institution goals for enrollment, retention, and graduation.

Mr. Davies said that a few years ago the staff asked the RAND Corporation how many more students are needed to enroll and graduate in order to raise Kentucky to the national averages. RAND reported that 80,000 more graduates are needed on a base of 160,000 public and private undergraduate enrollments. In the 2000 legislative session, the council approved institutional goals for enrollment and retention for fall 2000 through fall 2004. In preparation for the 2002 legislative session, the staff extends this effort to include graduate education because in creating a new economy in Kentucky more people are needed who have the benefits of graduate education and who can apply those benefits to begin and work in new businesses. Mr. Davies said that the staff also has requested enrollment projections from the independent institutions.

Mr. Greenberg said that the retention and graduation goals are not acceptable and are almost embarrassing. He said that the presidents should be asked to consult with their boards and reconsider their goals.

Mr. Davies said that the institutions are ahead of the goal for enrollment but these students need to be retained.

Dr. Ransdell said that the greatest concern for WKU relates to enrollment growth. He said that if money is not available to fund enrollment growth, his institution may have to consider capping enrollment rather than continue to grow.

Dr. Eaglin said that retention is not just a postsecondary education problem. Postsecondary education needs to work with P-16 to develop different strategies than just concentrating on what the institutions do with incoming freshmen.

Ms. Adams said she is concerned that the P-16 Council as it exists statewide is not getting the support from postsecondary education that it needs. She is concerned about the KEES program in that it does not encourage students to take difficult high school classes because they may earn a lower grade and not be awarded as much money. She asked why more postsecondary education institutions are not recruiting the GED completers.

Mr. Davies said that of the high school completers in Kentucky 24.2 percent of them receive their high school diploma through the GED. He said that we tend to focus on the 75 percent who actually march across the stage.

ACTION AGENDA PROGRAM FUNDS

Mr. Davies that the goals will be discussed with the university presidents and the chief academic officers and will be brought back to the council for consideration in September.

RECOMMENDATION: The staff recommends that the council approve distribution of the remaining Action Agenda trust funds.

FACULTY DEVELOPMENT PROGRAM FUNDS

MOTION: Mr. Barger moved that the recommendation be approved. Ms. Weinberg seconded the motion.

VOTE: The motion passed.

RECOMMENDATION: The staff recommends that the council approve distribution of the remaining faculty development funds.

UNIVERSITY PROGRAM PRODUCTIVITY REPORT

MOTION: Mr. Barger moved that the recommendation be approved. Ms. Bertelsman seconded the motion.

VOTE: The motion passed.

RECOMMENDATION: The staff recommends that the

council accept the final university reports of the first biennial productivity review.

MOTION: Ms. Menendez moved that the recommendation be approved. Ms. Weinberg seconded the motion.

Mr. Davies said that the council directed this review in November 1999. University programs are reviewed in even-numbered years and community and technical college system programs in odd-numbered years. Because this was the first review, this process took about two years to complete. Of the 1,164 programs slated for review, 564 were identified as low productivity programs. Of these, the universities plan to close 143, significantly change 161, and retain 254. In July 2000, the council requested that statewide groups be formed to look at three areas of low degree producing programs – teacher education, foreign languages, and visual and performing arts. The next cycle of program productivity reviews will begin in 2002. Mr. Davies said it is important that this review become regular especially in a time of tight budgets, which means change by substitution rather than by growth.

Ms. Weinberg asked if we are working with the independent colleges and universities to efficiently deliver low enrollment courses.

Mr. Applegate said that the most discussion has been in the teacher education area. The provosts of the independent and public institutions have discussed the delivery of teachers and meeting teacher shortages. The provosts also discussed voluntarily involving the independent institutions in the Web-based program approval system. This will inform all institutions of new programs being proposed to help cut down on the number of duplicative programs.

Mr. Baker said that emphasis should be placed on offering courses through the Kentucky Virtual University. He said that the institutions must collaborate to offer courses in needed areas, such as foreign languages.

Mr. Greenberg said labor market shortages need to be identified.

KCTCS AND LCC
PROGRAM
PRODUCTIVITY
REPORTS

Mr. Barger said that the best way to attract skilled workers is to improve salaries, working conditions, and fringe benefits.

Mr. Whitehead said that incentive programs may be needed to encourage students to enter these critical labor shortage areas.

Ms. Bertelsman encouraged the teacher educators to take into account the recommendations of the literacy and mathematics alignment teams. It was unanimously reported that there was no formal teaching of reading after the third grade yet numerous students cannot read by then. The alignment team recommendation was that teachers be prepared to educate students in literacy, particularly in basic reading, in every grade.

VOTE: The motion passed.

RECOMMENDATION: The staff recommends that the council accept the initial productivity reports of the Kentucky Community and Technical College System and Lexington Community College.

MOTION: Ms. Bertelsman moved that the recommendation be approved. Mr. Barger seconded the motion.

QUALITATIVE
WAIVER FOR
NORTHERN KY
TECHNICAL COLLEGE

Mr. Davies said that this review began in fall 2000. Of the 146 programs offered at the KCTCS institutions and LCC, only 32 were reviewed. The KCTCS will close five programs, alter 18, retain five, and complete the review of one program next year.

VOTE: The motion passed.

RECOMMENDATION: The staff recommends that the council accept the Committee on Equal Opportunities recommendation to grant Northern Kentucky Technical College a waiver of the requirements of KRS 164.020(18).

MOTION: Mr. Barger moved that the recommendation be approved. Ms. Weinberg seconded the motion.

VOTE: The motion passed.

UK COLLEGE OF LAW
CLASSROOM
RENOVATIONS

Mr. Barger said that the Committee on Equal Opportunities will meet August 20 and will reconsider the Morehead State University request for a waiver. The committee has concerns about the campus climate environment teams – how well publicized and involved they are on the campuses. These teams provide input from faculty, staff, and the student body. The teams are critical to the efforts toward diversity and are a critical part of the partnership agreement with the U.S. Office for Civil Rights.

STATEWIDE
ENGINEERING
STRATEGY

RECOMMENDATION: The staff recommends that the council approve the University of Kentucky's request to renovate three classrooms to create smart teleconferencing classrooms with \$800,000 in federal and institutional money.

MOTION: Mr. Baker moved that the recommendation be approved. Ms. Weinberg seconded the motion.

VOTE: The motion passed.

KIA PROGRAM
APPLICATION
CRITERIA

Mr. Davies reported that good progress is being made toward establishing joint engineering programs under the council's statewide engineering strategy. Joint programs are being planned in mechanical engineering, WKU and UK; civil engineering, WKU and UK; electrical engineering, WKU and UofL; and electrical and telecommunications engineering, MuSU and UofL. The participating institutions are close to agreeing on the curricula for these programs. In May of this year, the institutions assured the council that they would share the cost of these programs in the future. The terms of the cost-sharing are being worked out. As part of the budget preparation, in November the staff will bring a proposal to include funding for the statewide engineering strategy as part of the new economy issue. Mr. Davies added that information technology may be the same type issue, and a statewide information technology strategy may be needed as well.

RECOMMENDATION: The staff recommends that the council approve the application criteria, the process for submission of an application, and the structure and type of outside expertise or peer review used in the application

review process proposed by the Kentucky Science and Technology Corporation for awarding grants under three of the four programs administered by it on behalf of the council: Rural Innovation Program, Research and Development Voucher Program, and Commercialization Fund Program.

MOTION: Mr. Barger moved that the recommendation be approved. Ms. Adams seconded the motion.

Mr. Davies said that funding for the three programs is appropriated to the council, which has policy leadership for the programs. As allowed by the Kentucky Innovation Act, the council has contracted with the Kentucky Science and Technology Corporation to administer these three programs.

Council staff member Daniel Rabuzzi said that these programs help link university research with local industry needs. If the application criteria are approved, the KSTC will issue RFP's in early August. He pointed out a revision to page 25 of the application criteria pertaining to the matching funds for the Research and Development Voucher Program. The matching that is required in accordance with the bill is that recipients of these grants – the small and medium sized businesses – must match the state's grant money with money or in-kind services of their own. He said that the grant recipients cannot use state-generated money for the match. Mr. Rabuzzi said that the Kentucky Innovation Act requires the KSTC to provide an annual report to the council, and the council must provide an annual report to the Kentucky Innovation Commission, the Governor's Office, and the General Assembly. He said that early next year the staff will recommend that the council discuss with the Kentucky Innovation Commission appropriate performance benchmarks and performance criteria for these programs.

Ms. Legg asked about the relationship between the four regional technology corporations administered by the council and the six innovation and commercialization centers introduced by Bill Brundage, Commissioner of the New Economy, subsequent to the passage of the Kentucky Innovation Act.

Mr. Rabuzzi said there have been discussions about this

relationship and the council staff may propose legislative changes to merge the RTC's and ICC's.

BIO 2001

AMENDMENT TO MOTION: Ms. Adams amended the motion that page 25 of the application criteria be amended to state that no funds which have been generated from any state source shall be used as matching funds. Mr. Barger seconded the motion.

VOTE ON AMENDED MOTION: The motion passed.

VOTE ON ORIGINAL MOTION AS AMENDED: The motion passed.

RESEARCH SPACE
GUIDELINES

Mr. Davies said that the council staff organized Governor Patton's trade mission to the Biotechnology Industry Organization International Tradeshow in San Diego in June, working closely with UK, UofL, WKU, the Governor's Office for Agricultural Policy, the Office of the New Economy, Greater Louisville Inc., Lexington United, and the Kentucky Life Sciences Organization. The group met with leading entrepreneurs, senior managers, scientists, and venture capitalists in the life science sector to promote Kentucky's life science research and industry to the world market. Mr. Davies said the event exceeded expectations and the payback will be very significant. He said that the Kentucky Innovation Commission will coordinate participation in the tradeshow in the coming years.

RECOMMENDATION: The staff recommends that the council approve the revised space planning guidelines for the research component of the Kentucky Space Needs Model and that the council use the revised Kentucky Space Needs Model to evaluate the need for new or renovated space at the public universities and colleges.

MOTION: Ms. Bertelsman moved that the recommendation be approved. Ms. Legg seconded the motion.

REVIEW OF

Mr. Davies said that increasing the research capacity of UK and UofL is critical to creating a new economy in Kentucky. Bill Brundage has said that the institutions need to double their current research. In order to do this, Mr. Davies said that a long-range plan for research space needs to be developed. In order to evaluate the need

RESEARCH
CHALLENGE TRUST
FUND PROGRAMS
AND PROGRAMS OF
DISTINCTION

for research space at the two doctoral institutions more effectively, the council contracted with Dan Paulien of Paulien & Associates to review the Kentucky Space Needs Model. Mr. Paulien recommends that the research space component for the doctoral institutions be based on non-institutional research and development dollars as reported in the National Science Foundation reports.

VOTE: The motion passed.

A review of the Research Challenge Trust Fund Programs and the Programs of Distinction was included in the agenda book. A report on the Eastern Kentucky University program of distinction in justice and safety was distributed.

Ms. Bertelsman requested that time be available at a future meeting to hear updates from the institutions on their programs of distinction related to the criteria that were set up, the number of students recruited, how national in focus they have become, scholarships created, and what difference these programs have made on the campus. She requested that written material be provided in advance so council members are prepared to discuss.

WKU DIDDLE
ARENA PROJECT

Mr. Applegate said that at the September trusteeship conference the institutions will set up displays to provide information on the programs of distinction.

Mr. Davies said that the staff suggests that the institutions be asked to submit biennial progress reports on the programs and the staff will make site visits when warranted.

Ms. Bertelsman suggested that the council decide about the future reporting needs after hearing the next reports from the institutions.

Western Kentucky University plans to donate E. A. Diddle Arena and other athletic property to the City of Bowling Green for the purpose of securing financing to renovate the facility. WKU has stated that state general funds would not be sought for the renovation. The City of Bowling Green would issue general obligation bonds to finance the renovation of the arena. Debt service on the bonds would

be funded using a combination of revenues from facility rentals, building naming rights, ticket sales surcharges, and concessions and event parking. The council staff and WKU representatives have participated in a series of discussions with representatives from the Finance and Administration Cabinet, the Legislative Research Commission, the Capital Projects and Bond Oversight Committee, and the Office of the Attorney General. Mr. Davies said that one issue is whether the state needs to approve the disposition of university property.

Dr. Ransdell distributed a report from Western about the proposed project, including the draft management agreement, financial pro forma, plat of the property to be conveyed, draft of the deed, and a draft of the reciprocal non-exclusive permit.

Ms. Weinberg asked who would be responsible for the maintenance and operation of the facility. Dr. Ransdell responded that this will be the responsibility of WKU.

Mr. Barger said that this project is similar to the creation a few years ago of the WKU Student Life Foundation. At that time there was discussion as to whether this type of financing takes the responsibility and obligation of the debt service off the state. That question has not been answered. The Finance Cabinet, the council, and the legislative committee were to work out a process for use by all institutions.

Mr. Owen complimented the creativity of Western's proposal but noted that this has serious implications throughout the state if other institutions choose to do something similar. He suggested that the legislation be examined that says that the council's approval is needed to construct new buildings but no approval is needed to give a building away. He said that the council members should have received this information earlier to allow opportunity to review the materials prior to this meeting.

Mr. Davies said that there are three players in Frankfort – the Attorney General, the administration through the Finance Cabinet, and the council. He said that the legal issues belong to the Attorney General and the financial issues having to do with debt and the propriety of debt

KEY INDICATORS UPDATE

have to do with the Secretary of Finance. The council needs to deal with the questions of space for instruction, cost of maintenance and operation of the facility, and academic implications. He said that he has written the Attorney General and the Secretary of Finance saying that a regular and predictable process is needed to ensure that these things are done creatively and responsibly. Both have responded that they would be happy to work with the council staff to develop that process. The council has no statutory authority but, because of its role in leading reform of postsecondary education, is being asked to give an opinion at the Capital Projects and Bond Oversight Committee August 21 meeting.

DEVELOPMENT OF 2002-04 BUDGET RECOMMENDATIONS

Mr. Baker said that the members of the General Assembly, who make up the public policymaking body of this Commonwealth, should develop a proper process to be followed. They should be aware of the ramifications for the future for whatever direction they choose to go. He complimented Dr. Ransdell for his creativity but said he is not sure this is the proper course to take.

Mr. Whitehead will appoint an ad hoc committee to review the materials and provide guidance to Mr. Davies prior to the August 21 meeting.

COUNCIL BYLAWS

The council staff continues to work with the postsecondary institutions, other state agencies, and research firms to establish baseline data and set goals for the key indicators of progress toward postsecondary reform. A timeline for setting the goals was included in the agenda book. The key indicators Web site is being developed and will be available on the council's Web page this fall.

COUNCIL AUDIT

Information was provided on the development of the 2002-04 biennial budget and the plan to reduce the 2001-02 agency budget. Governor Patton announced a projected \$326 million budget shortfall for fiscal year 2002. At this time, postsecondary education is exempted from budget reductions in this fiscal year.

Mr. Davies said that the council will meet with the presidents of the independent colleges and universities October 9. Dennis Jones, president of the National Center for Higher Education Management Systems, will meet with

the council October 10 to discuss budget issues.

RECOMMENDATION: The staff recommends that the council adopt the revised bylaws.

MOTION: Ms. Bertelsman moved that the bylaws be adopted. Mr. Barger seconded the motion.

Because of several questions relating to officer elections and terms, the bylaws were not acted upon and will be discussed at the September meeting.

RESOLUTIONS

MOTION: Mr. Barger moved that the council authorize the president to enter into a contract with Potter & Company to conduct an audit of the council's fiscal year ending June 30, 2001, in an amount of \$40,250. Ms. Weinberg seconded the motion.

NEXT MEETING

The council staff reissued the request for proposals for an external audit of the council's 2000-01 operating budget. In the second round of bidding, four proposals were received. The executive committee reviewed the proposals July 29.

ADJOURNMENT

VOTE: The motion passed.

MOTION: Mr. Barger moved that resolutions prepared for Mary Beth Susman, Lois Weinberg, Amanda Coates Lich, Merl Hackbart, and Philip Huddleston be approved. Mr. Baker seconded the motion.

VOTE: The motion passed.

The Governor's Conference on Postsecondary Education Trusteeship will be September 16-17 at the Louisville Marriott East. The council will meet at 12 noon Sunday, September 16.

The meeting adjourned at 12:50 p.m.

Gordon K. Davies
President

Phyllis L. Bailey
Secretary

MINUTES
Council on Postsecondary Education
Executive Committee
August 27, 2001

The Executive Committee meeting commenced at 1:15 p.m. with Chairman Charles Whitehead calling the meeting to order.

ROLL CALL

Shirley Menendez and Steve Barger were present. Norma Adams and Walter Baker were absent. Guests included Gordon K. Davies, Angie Martin, Allen Norvell, and Dennis Taulbee.

COUNCIL AUDIT

Dennis Taulbee introduced Allen Norvell of the firm Potter & Co., Inc. They are to do the 2000-01 annual audit of the agency. Mr. Taulbee stated that the purpose of the meeting was to allow Executive Committee members an opportunity to discuss issues related to the audit and to discuss the relationship of the audit firm and the Executive Committee.

Mr. Davies, Mr. Taulbee, and Ms. Martin left the meeting.

The Executive Committee instructed Mr. Norvell to provide a draft copy of the findings directly to the committee. The Executive Committee also asked the audit firm to help determine their responsibilities in the management of the trust funds, to look at what employees, if any, actually work for another agency or entity, and to look at the legal responsibilities of the agency where employees are retired and working for the council.

No official actions were taken.

ADJOURNMENT

The meeting adjourned at 2:20 p.m.

Charles Whitehead
Chairman

